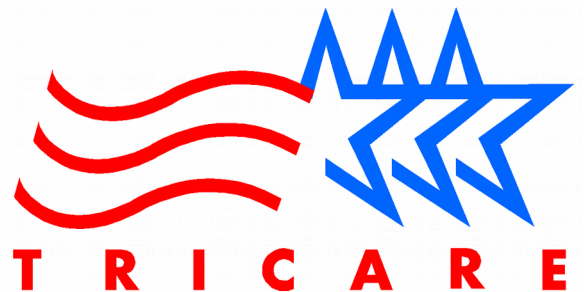


# TRICARE 2000

# Stakeholders' Report

Volume II

*Moving from  
Promises to  
Proof*



# Letter to Stakeholders



Dr. Sue Bailey,  
Assistant  
Secretary  
of Defense  
(Health Affairs)



Dr. H. James T. Sears,  
Executive Director of  
the TRICARE  
Management Activity

**Teamwork.  
Innovation.**

**Commitment.**

Those three words capture the new spirit of TRICARE. For as the new millennium dawns, we are seeing a dramatic change. A creative alliance—between the Chairman of the Joint Chiefs of Staff and the Military Health System leadership—has been forged. Its goal: to make TRICARE work better for everyone. This new and exciting **teamwork**, involving the highest levels of both Line and military medical leadership, promises swift and dramatic improvements in the TRICARE program.

The Chairman, the Assistant Secretary of Defense (Health Affairs), the Director of the TRICARE Management Activity, and the Surgeons General have made a **commitment** to improve TRICARE in 2000. That means guaranteeing that our military medical treatment facilities and contract support partners must meet all standards for *access to care*. It means we'll establish even tougher standards for processing medical claims—and then beat these standards. It means writing our TRICARE contracts in a new way—one that pays the contractors based on how satisfied the customers are.

TRICARE is a very good health care program. Overall customer satisfaction continues to increase steadily. We've certainly held the line on enrollment fees and deductibles over the years. But it is going to take **innovation** to turn TRICARE's promises into proof. Innovation in small things like using common-sense names for our clinics across our system—so a “family practice” visit in one TRICARE region means the same thing across the country. Innovation in information systems, to help us improve our productivity and maximize the use of our military medical treatment facilities. Finally, we need innovation in our *philosophy*, as we shift away from a medical system that *treats* illness to a health system that *prevents* illness in the first place.

On that note, I, James T. Sears, M.D., Assistant Secretary of Defense (Health Affairs), Executive Director of the TRICARE Management Activity, will provide a snapshot of what we're doing to improve TRICARE now. We hope you'll enjoy the Report—and that you'll allow us to prove what we promise!

# TRICARE Perspectives

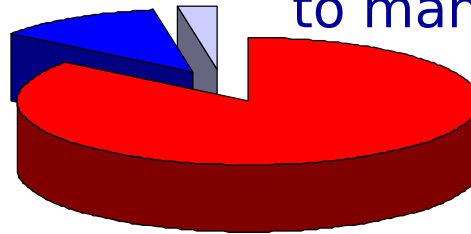
## What is

## TRICARE?

A health care program...

- Using military health care as the main delivery system
- Augmented by a civilian network of providers and facilities
- Serving our active duty and their families, retired military and their families, and survivors world wide

86% of TRICARE Prime enrollees use military health care to manage their primary care.



- 86% Direct Care in Military Facilities
- 12% Contracted Care in Civilian Networks
- 2% Uniformed Services Family Health Plan

We offer quality health care to 8.2 million people eligible for TRICARE

We fill 1.2 million prescriptions per week

We process 27 million claims a year

We answer 1.4 million telephone calls to our toll-free numbers each month

# How Does TRICARE

## Comparing Costs

	TRICARE Prime	Comparable Civilian HMO
<b>Enlisted Family of Four</b>	Enrollment Fee: \$0 Deductible: \$0 Co-Pays: Military Facilities -- \$( Civilian Network -- \$6-1	Average Enrollment Fee: \$390/mo or \$4,680/yr Plus Deductible and Co-Pays
<b>Military Retiree Age 40-65 Family of Four</b>	Enrollment Fee: \$460/yr Deductible: \$0 Co-Pays: Military Facilities -- \$( Civilian Network -- \$1	Average Enrollment Fee: \$4,680/year Plus Deductible and Co-Pays

TRICARE beats most civilian plans in premiums and co-pays

American Association of Health Plans/Health Care Advisory Board

TRICARE holds the line on fees while most plans experience large annual increases

## Premium Increases

	Federal Employee Health Benefits Program (FEHBP)	TRICARE
<b>1998</b>	7.2%	0%
<b>1999</b>	9.5%	0%
<b>(projected) 2000</b>	9.3%	0%
<b>TOTAL</b>	<b>26%</b>	<b>No Increase</b>
Source: <i>The Washington Post</i> , 19 Sept 1999, page 1		

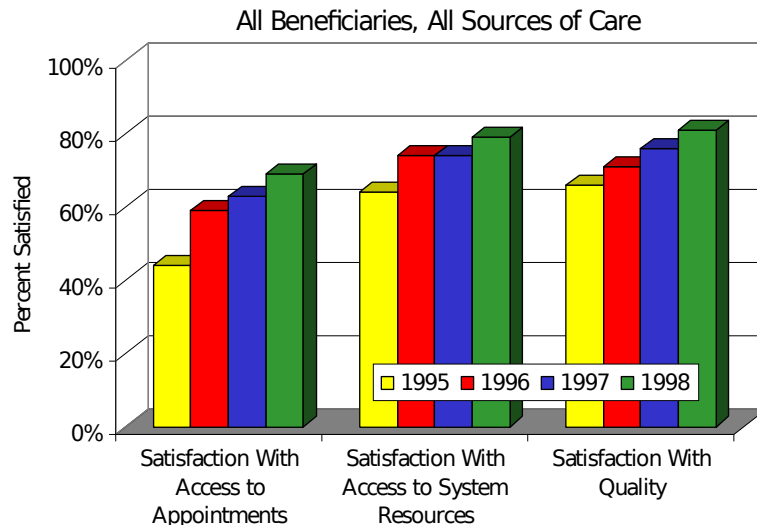
## A Superb Health Benefit

- ✓ Prescription Drugs (including Mail Order Pharmacy)
- ✓ Preventive Services (such as mammography)
- ✓ Mental Health
- ✓ Cancer Clinical Trials (in partnership with the National Cancer Institute)
- ✓ Occupational Therapy

# TRICARE is working...

As TRICARE's focus moves from implementation to operation, satisfaction continues to climb

## Satisfaction: *Moving in the Right Direction*



Source: 1995-98 Annual Healthcare Survey of DoD Beneficiaries

## ...but we still have work to do

We're  
Listening  
and  
We Know  
the Issues

- Improve Access to Care
- Make Enrollment/Re-enrollment Easier
- Primary Care Managers by Name
- Enhance Access for Remote Locations
- Expand Access for Retirees Age 65 and Older
- Facilitate Management of Complex Cases
- Maintain a Strong Civilian Provider Network
- Improve Claims Processing
- Improve Phone Systems and Phone

# IMPROVING ACCESS to CARE

## What We're Hearing

**"Treatment at the military treatment facility is great, once I can get in."**

## What We're Doing About It

- We're implementing uniform standards for telephone answering across the TRICARE system.
- We're simplifying the appointment system to improve accessibility
- We're improving access to TRICARE Service Centers

93% of all calls to our toll-free numbers are answered within 120 seconds



## Access Standards for TRICARE Prime

**Urgent Care:**  
1 Day or Less

**Routine Care:**  
1 Week

**Specialty/Wellness Care:**  
1 Month

**Waiting Room Time during Provider's Office Visit:**  
30 Minutes or Less

**Travel Time to Primary Care Provider's Office:**  
30 Minutes or Less

## Access Is Improving

Measure		Statistically Significant Change Under TRI CARE
Access	Appointment within access standards	Increased
	Use of preventive care	Mostly Increased <sup>a</sup>
	Use of the emergency room	Decreased <sup>b</sup>
Availability	Getting care when needed	Increased
Obtaining Care	Satisfaction with ease of making appointment	Increased
	Wait time for an appointment	Decreased

<sup>a</sup> Increases: blood pressure & cholesterol checks, physical exams, immunizations, wellness advice. Decreases: Pap tests, prenatal exams

<sup>b</sup> Indicates increased use of preventive and primary care

Source: Center for Naval Analyses/Institute for Defense Analyses, Congressionally-directed evaluation of 7 TRICARE regions, Sep 1999.



# IMPROVING ACCESS for REMOTE LOCATIONS

## What We're Hearing

**"I'm 2 hours away from the nearest military treatment facility, how do I get healthcare for my family and me?"**

## What We're Doing About It

- In October 1999 we implemented a new program called TRICARE Prime Remote for Active Duty members
- It provides a common benefit for ALL military personnel living in remote areas of the United States
- It makes accessing civilian health care easier
- It offers a 24-hour, 7-day a week hotline for Active Duty members 1-888-647-6676
- It simplifies claims processing
- We are now exploring ways to extend this program to family members of Active Duty



## MAKING ENROLLMENT and RE-ENROLLMENT EASIER

## What We're Hearing

**"Why do I have to re-enroll every year?"**

**"Why do I need to re-enroll every time I move?"**

## What We're Doing About It

- Beneficiaries don't need to re-enroll anymore! We implemented automatic re-enrollment in June 1999. Beneficiaries will now receive a notice that they have been automatically re-enrolled each year. If they wish to dis-enroll, they just reply to the notice
- We will implement a common "Universal Enrollment Card" across the system
- In 2000, we are planning to simplify the transfer of enrollment (usually due to PCS) by eliminating administrative delays

Nearly  
80%  
of eligible  
Active  
Duty  
family  
members  
are  
enrolled  
in TRICARE  
Prime  
mil

# KEEPING PROVIDERS in the NETWORK & IMPROVING CLAIMS PROCESSING

## What We're Hearing

**"My doctor still hasn't been paid  
and I received the bill!"**

**"My doctor says:  
'TRICARE = slow pay + low pay'"**

## What We're Doing About It

- In February 1999, we matched provider payment rates to the Medicare standard
- We centralized Active Duty claims payment and implemented stricter processing standards in October 1999
- Special units have been, or soon will be, dedicated at Lead Agents and Managed Care Support Contractors to help solve claims problems
- Incentives for future managed care support contracts will be based on satisfaction of beneficiaries, providers, and medical commanders
- We are committed to an ongoing process to improve claims processing

### Claims Processing Standards

**How long does TRI CARE have to process a claim?**

**Before  
1 Sept 1999**

75% of all claims processed in 21 days

**After  
1 Sep 1999**

95% of retained claims processed in 30 days

100% of retained claims processed in 60 days



## Did You Know?

We process over 27 million claims annually

Over 91% of ALL claims are processed within 30 days

Last year, physicians accepted the TRICARE payment rate as full payment 94% of the time



## PRIMARY CARE MANAGER by NAME

### What We're Hearing

**"Exactly who is my 'doctor'?"**

### What We're Doing About It

- On December 3, 1999, the Assistant Secretary of Defense for Health Affairs signed policy requiring that all enrollees have the benefit of a Primary Care Manager (PCM) by name/supported by a team by September 2000

- Beneficiaries will enjoy a professional relationship with one provider for most of their preventive and chronic care needs

- PCMs, with the help of new information systems, will be able to better manage conditions for their patients



## MANAGING COMPLEX MEDICAL CASES

### What We're Hearing

**"My child has complex medical needs and nobody can help me navigate through the system(s)"**

### What We're Doing About It

**The Case Management Program is designed to provide a continuum of care that coordinates patient care and follow-up through all stages of the complex medical condition**

- The development of an integrated and enhanced case management program is one of TRICARE's priorities for 2000
- We're working hard to improve the assignment of personal case managers to help coordinate support services for complex cases



# IMPROVING ACCESS to HEALTH CARE for RETIREES AGE 65 and OVER

## What We're Hearing

**"I'm over 65 --  
the military promised me  
free healthcare for life."**

## What We're Doing About It

**We are conducting several demonstrations to determine how we can improve access to healthcare for our retirees throughout their lifetime:**

- In 1998 we launched the **TRICARE Senior Prime Demonstration** in six locations to provide accessible, quality care for up to 28,000 Medicare-eligible military retirees and their family members through military treatment facilities
- The **Federal Employee Health Benefits Program (FEHBP) Demonstration** (January 2000 - December 2002) will provide medical care for up to 66,000 retired Service members and their dependents in eight test sites
- The **TRICARE Senior Supplement Demonstration** (April 2000 - December 2002) will offer TRICARE as supplemental coverage for up to 11,000 Medicare beneficiaries in two locations
- The **Pharmacy Redesign Pilot Program** (March 2000) will make network retail and mail order pharmacy benefits available in two locations for approximately



## What's Available to Retirees Age 65 and Over?

- Retirees may utilize space available care in the military treatment facilities
- Over 400,000 retirees living in areas affected by Base Realignment and Closure (BRAC) are covered by the **BRAC Pharmacy Benefit**
- 30,000 seniors receive comprehensive coverage by participating in the **Uniformed Services Family Health Plan**
- Retirees and their families may participate in the **Retiree TRICARE Dental Plan**
- Retirees may participate in several demonstrations currently running in select locations throughout the country
- Toll-free health information

# TRICARE's a Winner!

## TRICARE Program Evaluation

### Significant Findings, 1997

#### In First Seven Regions, TRICARE:

- Improved Access to Care
- Maintained Quality of Care
- Reduced Government Costs
- Held line on costs for Active

Duty Families

Source: Center for Naval  
Analyses/Institute for Defense Analyses,  
Congressionally-directed evaluation of  
seven TRICARE regions, Sept 1999

Annual Survey 1998:

TRICARE is Improving,  
Both in Results and in Visibility

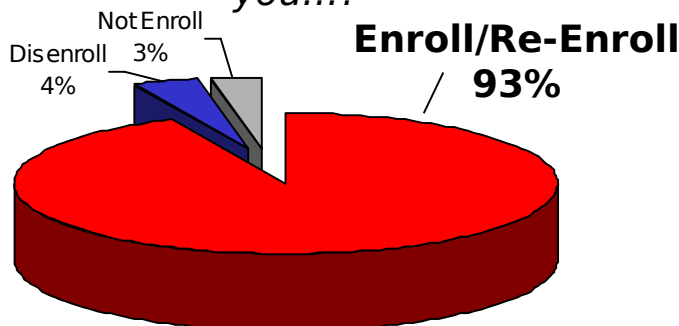
- Customer satisfaction with both military and civilian sources of care is growing
- Satisfaction with access and quality of care indicate steady improvement

Source: 1998 Annual Health Care  
Survey of DoD Beneficiaries  
TRICARE improving in all  
regions

## The Bottom Line:

## People are Staying with TRICARE

We asked Prime enrollees,  
"If you were given the option, would  
you...?"



All Prime Enrollees, System-Wide

Source: June - August 1999 Customer Satisfaction  
Survey



Winning.

TRICARE is winning.

We've come a long way together.

We've built a program like none other on earth.

We've stumbled, been discouraged, and made mistakes.

We never quit.

We made adjustments, improvements, and good changes.

We listened to our customers; we were accountable to our leaders.

We always talked about our worst problems in the bright light of day.

We were honest about our successes, our failures, and our goals.

We changed the oil with the motor running,  
never closing up shop in wartime, peacetime, regional start-up time, or any  
other time.

We've experimented with change, boldly tested innovations,

demonstrated new ideas and approaches,

and built the most successful ideas into our program.

We've brought the medical services together in ways that no one even  
imagined 10 years ago.

We continue to touch people, and reach people, and serve people,  
in the most sensitive areas of human life, in the most vital circumstances,  
when the healing art means life itself.

We are setting the standard for American health care.

We serve the best people in the world.

We are improving every day.



To comment on the 2000 Stakeholders' Report e-mail [comments@tma.osd.mil](mailto:comments@tma.osd.mil) or write to:

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